

## Idaho Grain Market Report, May 27, 2010

Published by the Idaho Barley Commission, [kolson@idahobarley.org](mailto:kolson@idahobarley.org), 208-334-2090

Prices paid by Idaho Elevators delivered to warehouses in specified locations for barley and wheat on Wednesday, May 26, 2010. Barley prices in \$/Cwt. and wheat prices in \$/bu.

Selected Locations	Barley (Cwt.)		Wheat (bu.)		
	#2 Feed, 48 lbs or better	Open market malting	#1 SWW	#1 HRW 11.5% protein	#1 DNS 14% protein
Ashton	NQ	(2-R) \$6.50 (6-R) NQ	NQ	NQ	NQ
Rexburg/ Ririe/ Roberts	\$6.00	(2-R) NQ (6-R) NQ	\$3.90	\$3.85	\$5.05
Idaho Falls	\$6.00	(2-R)\$6.50-\$6.85 (6-R)\$6.50	\$3.90	\$3.83	\$5.13
Blackfoot / Pocatello	\$6.25	(2-R) \$6.50 (6-R) NQ	\$3.90	\$3.66	\$5.14
Grace / Soda Springs	\$6.07	(2-R) NQ (6-R) NQ	\$3.82	\$3.71	\$4.91
Burley / Rupert Hazelton	\$5.25-\$5.50	(2-R) \$6.50 (6-R) \$6.50	\$3.80-\$3.90	\$3.82	\$5.07
Twin Falls / Eden / Buhl	\$6.00	(2-R) NQ (6-R) NQ	\$3.63-\$3.90	NQ	NQ
Weiser	\$5.85	(2-R) NQ (6-R) NQ	\$3.77	NQ	NQ
Nez Perce / Craigmont	\$4.85	(2-R) \$4.85 (6-R) \$4.85	\$4.02	\$4.54	\$5.82
Lewiston	\$5.10	(2-R) \$5.10 (6-R) \$5.10	\$4.21	\$4.73	\$6.01
Moscow / Genesee	\$4.90-\$6.25	(2-R) \$4.90 (6-R) \$4.90	\$3.98-\$4.70	\$4.50-\$5.19	\$5.78-\$6.48

**Trading Prices at Selected Terminal Markets, cash prices FOB**

	Barley (Cwt.)		Wheat (bu.)			
	#2 Feed 46 lbs. -- unit trains barge	Single rail cars- domestic	Malting	#1 SWW	#1 HRW 11.5% Protein	#1 DNS 14% Protein
Portland	NQ	NQ	NQ	May \$4.60-\$4.70 Aug NC \$4.60-\$4.65	May \$5.19 Aug NC \$5.16-\$5.24	May \$6.34-\$6.44 Aug NC \$5.96-\$6.24
Los Angeles	\$8.45	NQ	NQ	NQ	NQ	NQ
Stockton	NQ	NQ	NQ	NQ	NQ	NQ
Tulare	\$8.45	NQ	NQ	NQ	NQ	NQ
Ogden	\$6.25	NQ	NQ	\$4.05	\$3.65	\$5.92
Great Falls	\$4.50-\$5.10	NQ	NQ	NQ	\$3.53-\$3.64	\$5.46-\$5.58
Minneapolis	\$4.69	NQ	\$6.77	NQ	\$4.58 ¾ (12%)	\$6.38 ¾ - \$6.88 ¾

**Market trends this week**

**BARLEY** – Local barley prices were mostly higher this week ranging from steady to 30 cents higher in southern Idaho and steady in northern Idaho. USDA reported that there were no barley export sales last week. Export shipments totaled .3 TMT for Canada.

**WHEAT** – Local wheat prices were mixed this week: SWW ranged from 15 cents lower to 8 cents higher; HRW ranged from 10 cents lower to 12 cents higher; and DNS ranged from 6 cents lower to 9 cents higher. U.S. wheat export sales last week were above trade expectations at 485.5 TMT, of which 148.8 TMT was sold for shipment in the current marketing year, down 41% from the previous week and down 27% from the prior 4-week average. Export sales for new marketing year 2010/11 totaled 336.7 TMT. Wheat export shipments last week totaled 571.9 TMT, up 70% from the previous week and 41% from the prior 4-week average. Cumulative wheat export sales now tally 96.3% of the USDA forecast, compared to 95.5% during a five year average.

**Wheat Competitor/Buyer News** – Ukrainian wheat crop is estimated to be 15% smaller this year at 18.86 MMT, due to winter losses. Tunisia purchased 75 TMT of optional origin wheat, probably EU origin.

**CORN** – U.S. corn export sales were below trade expectations at 1.03 MMT, down 24% from the previous week and 22% from the prior 4-week average. Corn export shipments last week totaled 1.24 MMT, up 27% from the previous week and 31% from the prior 4-week average. Cumulative export sales now tally 90.1% of the USDA forecast, compared to 86.8% during a five year average.

**Corn Competitor/Buyer News** – China sold 939.6 TMT of its reserve corn stocks at auction this week out of total 993.6 TMT offered. Talk circulated that China would issue additional corn import quotas for as much as 5 MMT. In its weekly export sales report, USDA reported China purchased 214 TMT of U.S. corn last week.

**Futures market activity this week**

**In recent weeks, investors have been asking whether the global economic recovery was losing momentum.** For certain investor worries have mounted in recent weeks, underscored by the ongoing European sovereign debt crisis which has international implications for investors who hold European bonds which are rapidly losing value. China threatened early this week that it was reassessing its ownership of European debt which sent equity markets plummeting around the globe. However financial markets surged Wednesday evening into Thursday when China released a statement indicating that it was not considering pulling out of EU bonds. **Meanwhile, the U.S. economy shows steady signs of recovery... the latest good news this week included:**

- Consumer confidence reached a two year high at 63.3 compared to an expected index of 58.5 and last month's 57.9.
- Existing home sales jumped 7.6% in April, the highest level in five months, while new home sales climbed 14.8%.
- Durable good orders increased 2.9% in April, compared to an expected 1.3%.
- National Association of Business Economics revised its U.S. 2010 GDP projection higher to 3.2%, with unemployment dropping to 9.4% by the end of 2010 and to 8.5% by the end of 2011.

**WHEAT** – Wheat prices closed lower on Monday after early gains, with pressure from a sharply higher dollar and favorable crop weather. Wheat continued to post losses on Tuesday as HRW harvest gets underway and the dollar continues to rally on ongoing euro concerns. Wheat managed to post modest gains on Wednesday, boosted by short covering and talk of crop concerns overseas. Wheat prices finished solidly higher today (Thursday) on fund buying triggered by a sharply lower dollar and ideas that wheat prices may be near seasonal lows. **Wheat market closes on Thursday, 5/27/10...**

	<b>July 2010</b>	<b>Weekly Summary</b>	<b>Sept 2010</b>	<b>Weekly Summary</b>
Chicago	\$4.67 <sup>3</sup> / <sub>4</sub>	Down \$.04 <sup>1</sup> / <sub>4</sub>	\$4.85 <sup>1</sup> / <sub>4</sub>	Down \$.04
Kansas City	\$4.92 <sup>3</sup> / <sub>4</sub>	Down \$.02 <sup>1</sup> / <sub>4</sub>	\$5.04 <sup>3</sup> / <sub>4</sub>	Down \$.02 <sup>1</sup> / <sub>4</sub>
Minneapolis DNS	\$5.13 <sup>3</sup> / <sub>4</sub>	Up \$.01 <sup>1</sup> / <sub>4</sub>	\$5.25 <sup>3</sup> / <sub>4</sub>	Unchanged

**CORN** – Corn began the week moderately higher after chopping in a narrow range on Monday, despite a dollar rally and favorable crop weather. Prices retreated on Tuesday under pressure from a sharp rise in the dollar and sharply lower crude oil. Talk of possibly more Chinese corn purchases pushed corn futures strongly higher on Wednesday. Corn settled modestly higher today (Thursday) on spillover support from higher crude oil and lower dollar and ideas that China would continue to buy U.S. corn. Gains were limited by consolidation headed into the three-day weekend. **July 2010 corn contract closed Thursday, 5/27/10, at \$3.73 <sup>1</sup>/<sub>4</sub>, up \$.04 <sup>1</sup>/<sub>4</sub> for the week and the Sept 2010 contact closed at \$3.83 <sup>1</sup>/<sub>4</sub>, up \$.06 <sup>1</sup>/<sub>2</sub> for the week.**

**OTHER MAJOR FACTORS TO WATCH -**

- **Crude Oil** – Crude oil began the week marginally higher to top \$70/bbl despite another big drop in the Dow Jones on ongoing investor concerns about Europe's debt crisis. However gains could not be sustained as crude tumbled below \$69/bbl on Tuesday under pressure from a skyrocketing dollar and jittery Wall Street. Investors shrugged off another dollar gain and lower equities to close higher on Wednesday, posting gains of \$2.76 to close at \$71.51/bbl. Support came from supply concerns after the Alaska pipeline was shut down due to a power outage and oil spill. Wednesday's weekly petroleum report showed bearish weekly crude oil stocks with a 2.46 million bbls increase, compared to an expected build of 250,000 bbls; distillates were bullish with a decline of 267,000 bbls, compared to an expected build of 500,000 bbls; and gasoline stocks fell 203,000 bbls, compared to an expected build of 300,000 bbls. Crude oil was pulled sharply higher today (Thursday) to close above \$74/bbl, boosted by higher equities and a lower U.S. dollar.
- **U.S. weather / crop watch** – A mostly warmer, drier pattern blanketed the Central U.S. this week, boosting early crop development after the recent moisture. Areas of the Pacific Northwest, Northern Plains and northwestern Corn Belt received scattered showers off and on for most of the week. The official 6- to 10 and 8- to 14-day forecasts out Wednesday showed a shift to cooler and wetter conditions over the eastern Corn Belt, with drier weather moving in from the west. Chances are increasing that **a La Nina weather pattern will form by late summer**, bringing warmer than normal temps and below normal precipitation in August for corn/soybean areas.
- **International weather / crop watch** – areas of concern continue... much of central and eastern region of Russia and Kazakhstan remains dry; dryness is expanding across northern Europe; and spring grain planting pace is well behind normal in the Canadian prairies.

- **Canada** – Showers slowed spring grain planting but promoted good crop germination where planting had progressed after a dry period last week. Planting progress remains well behind normal.
- **Europe** – Dry weather reduced soil moisture for jointing to reproductive grains in England, France and northwestern Germany. Northern France saw some beneficial moisture this week, but more is needed. Severe storms caused flooding and some crop damage in parts of Eastern Europe.
- **Former Soviet Union** – The western region - Ukraine and southern Russia –continued to receive beneficial moisture for jointing winter grains, but conditions remained excessively dry across Central Russia and Kazakhstan, slowing spring grain planting and emergence.
- **Middle East** – Showers benefitted reproductive grains in northern parts of Turkey, Iraq and Iran.
- **Northern Africa** – Warm sunny weather aided crop maturation, although cool conditions in Tunisia slowed crop development.
- **China** – Manchuria (north) saw warm showery conditions which were favorable for crop germination, but continued to stall planting in many areas. Scattered showers were expected to continue this weekend, slowing planting progress. The region is expected to turn warmer and drier next week which will aid planting, but crop progress overall is running behind normal. Seasonable temperatures and rainfall across the North China Plains aided filling winter wheat, but overall dryness in this region could hamper grain fill during the next two weeks. However, yields are not expected to be impacted too much.
- **Argentina / Brazil** – Argentina saw a few showers Wednesday, with more chances for rain in parts of its wheat region over the weekend.
- **Australia** – Western region continued to see beneficial showers aiding winter grain planting and emergence. Southeastern region was mostly dry allowing planting to progress rapidly, although more rain would be welcome for early crop development.

#### USDA Crop Progress / Condition Report, May 24, 2010

Crop	% Planted	Previous Week	Previous Year	5-Year Average	Condition rating % good/excellent	Previous Week	Previous Year
US barley	92%	75%	74%	89%	84%	NA	NA
<b>ID barley</b>	<b>92%</b>	<b>88%</b>	<b>91%</b>	<b>89%</b>	<b>89%</b>	<b>NA</b>	
US spring wheat	91%	79%	75%	91%	85%	NA	
<b>ID spring Wheat</b>	<b>96%</b>	<b>92%</b>	<b>95%</b>	<b>95%</b>	<b>90%</b>	<b>NA</b>	
US winter wheat	Headed 63%	52%	66%	68%	66%	66%	45%
<b>ID winter wheat</b>	<b>Headed 1%</b>	<b>0%</b>	<b>2%</b>	<b>4%</b>	<b>91%</b>	<b>91%</b>	
US Corn	93%	87%	80%	89%	71%	67%	NA

### JUNE 1 SIGN-UP DEADLINE FOR 2010 USDA FARM PROGRAMS...

Producers are reminded that the **sign-up deadline for participation in the 2010 Direct and Counter-cyclical Program (DCP) and Average Crop Revenue Election (ACRE) Program is June 1.** USDA calculates DCP payments using base acres and payment yields established for each farm. Farms with base acres are eligible for DCP. Eligible producers receive direct payments at rates established by the 2008 Farm Bill. Eligible producers may receive an advance payment of 22 percent of the direct payment for each covered commodity on the farm. USDA will issue advance direct payments as soon as practical after enrollment. Final direct payments will be issued in October 2010. Counter-cyclical payments vary depending on market prices and are issued only when the effective price for a commodity is below its target price (taking into account the direct payment rate, market price and loan rate). ACRE provides an alternative risk management tool to the traditional DCP programs. In its first year of operation in 2009, more than 130,000 farms signed up for ACRE across the country (1,098 farms enrolled in Idaho). Numerous resources are available to help producers make informed decisions on program enrollment, including on-line payment calculators available at [www.fsa.usda.gov/dcp](http://www.fsa.usda.gov/dcp)